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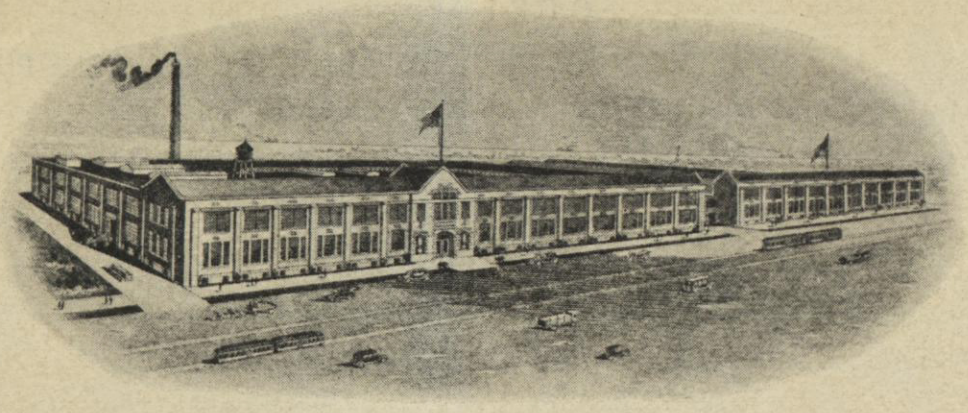
CORPORATION FILE



The Morgan Lithograph Co

CLEVELAND, O.

MAR 1 3 1931
NOT TO BE TAKEN AWAY

Annual Report to Stockholders

1930

THE ONLY COMMERCIAL & POSTER PRINTING HOUSE IN THE WORLD AWARDED THE MEDAL OF HONOR AND DIPLOMA OF MERIT AT WORLD'S FAIR AND PARIS EXPOSITION.

Subsidiaries:

Otis Lithograph Co.
Ritchey Lithographing Corp.
Acme Lithographing Co., Inc.
J. H. Tooker Printing Co., Inc.
Morgan Properties Co.

OFFICERS

P. J. Morgan---Chairman of the Board
Geo. W. Morgan--President & Treasurer
Vernon Charnley----Vice-Pres. & Sec'y
E. S. Gaylor, Jr.--------Vice-President
W. L. Schellentrager----Ass't Secretary

DIRECTORS

P. J. Morgan----------Cleveland
Geo. W. Morgan----------Cleveland
John Sherwin----------Cleveland
Ralph Hubbart----------Chicago
Vernon Charnley----------Cleveland

STOCK TRANSFER AGENTS

The Union Trust Co.
Cleveland, Ohio

Continental Illinois Bank
and Trust Company
Chicago, Ill.

REGISTRARS

Central United National Bank
Cleveland, Ohio

Chicago Trust Co.
Chicago, Ill.

GENERAL OFFICES: Payne Avenue, Cleveland, Ohio

BRANCH OFFICES

New York City----- 645-659 11th Ave.
Boston, Mass.------- Park Square Bldg.
Pittsburgh, Pa.-------- Bessemer Bldg.
Toledo, Ohio-------Smith-Baker Bldg.
Cincinnati, Ohio-------- Enquirer Bldg.
Atlanta, Ga.----------Healey Bldg.
Detroit, Mich.--- General Motors Bldg.
Chicago, Ill.----------Tower Bldg.
St. Louis, Mo.---4527 Forest Park Blvd.
Kansas City, Mo.------- Mutual Bldg.
Los Angeles, Calif.----129 West 3rd St.

PLANTS

Payne Ave., Cleveland, O.

645-659 11th Ave., New York City

WAREHOUSE

East 30th Street, Cleveland, Ohio

September 22, 1930.

STATISTICAL LIBRARY
MAR 12 1931
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To the Shareholders of
The Morgan Lithograph Company:

There is presented herewith the annual report of your Company for the year ended June 30, 1930, the financial and operating statements therein having been prepared by Messrs. Ernst & Ernst, Certified Public Accountants.

The operating profit for the year amounted to $194,980.12 and such operating profit after "other deductions, inventory losses and adjustments," as shown in the operating statement, becomes a net loss of $345,004.71. The loss on posters written off and disposed of during the fiscal year of $179,915.62 was charged to operations, the management deeming it advisable not only to maintain the allowance of $100,000.00 created during the fiscal year ended June 30, 1929 as a reserve for possible further shrinkage in that portion of the poster inventory covering silent pictures, but that under existing conditions in the motion picture industry such reserve should, at this time, be increased by an additional $200,000.00, making a total inventory adjustment for the year of $379,915.62 which more than accounts for the loss shown for the year. It is possible that this reserve may exceed the actual obsolescence in the silent motion picture inventory and if this proves to be so the excess reserve can be restored to surplus during subsequent years. Adequate reserves have also been set up against accounts receivable, investments and advances to agents.

A comparison of the financial statement included herein with that of the last preceding period shows an increase in the ratio of quick assets to current liabilities from 2.94 to 1 to 3.60 to 1. Cash on hand and in bank and government securities show an increase over last year of $163,999.66, while payables and outstanding bonds show a decrease of $209,296.85.

Your Company has shared in the current business depression which has been in effect since the beginning of the calendar year with the result that sales for the year decreased $113,000.00 as compared to 1929. Your management hopes that the months of July and August, which always mark the yearly low ebb of our business, will prove to be the turning point.

During the present quarter the management has been able to effect further economies through the termination of employment contracts, closing of one of our warehouses, and the rental of properties not used in operation, without any decrease in efficiency.

On July 1st plans for a new Photo-Gelatin Department were completed and the installation of the necessary machinery started. This department is now in operation

and, as there is a wide market for the advertising material manufactured by this process your management hopes to add a considerable volume to your Company's sales during the coming year.

Your management feels, as shown by the balance sheet, that your Company is in a sound position and that it should share in the return of better business conditions throughout the country which general trade conditions seem to indicate.

Respectfully submitted,

BY ORDER OF THE BOARD OF DIRECTORS,

George W. Morgan,
President.

CONDENSED CONSOLIDATED BALANCE SHEET

THE MORGAN LITHOGRAPH COMPANY AND SUBSIDIARY — CLEVELAND

As of the close of business, June 30, 1930

ASSETS

Current:			
Cash		$ 20,205.60	
U. S. Treasury Bonds		230,000.00	
Notes and Acceptances Receivable		7,662.91	
Accounts Receivable, less Allowance for Doubtful		242,891.11	
Inventory (Certified by Management)	$725,385.39		
Less: Allowance for possible shrinkage in value of Silent Picture Posters	300,000.00	425,385.39	
Cash Surrender Value of Life Insurance	$181,593.06		
Less: Policy Loans	140,466.62	41,126.44	$ 967,271.45
Property at Elmhurst not used in Operations		$ 189,918.13	
Miscellaneous Receivables and Investments		70,913.91	260,832.04
Cash and Mortgage Receivable held by Bond Trustee			15,062.27
Leasehold—Unamortized Portion			4,714.64
Land		$ 663,106.00	
Buildings, Machinery, Equipment, etc. (Depreciated)		896,727.99	1,559,833.99
Good-Will			1.00
Cost of Art Work on Lithograph Plates		$ 151,978.45	
Prepaid Expenses, etc.		45,364.58	197,343.03
			$3,005,058.42

LIABILITIES

Current:			
Accounts Payable		$ 195,400.72	
Accrued Taxes, Interest, etc.		73,001.83	$ 268,402.55
First Mortgage 6% Serial Gold Bonds of Morgan Properties Company—Outstanding ($45,000.00 due August 15, 1930)			1,375,000.00
Capital Stock:			
100,000 shares Common Stock of No Par Value, issued and outstanding Stated Capital		$1,000,000.00	
Surplus—*Deficit* Accounts:			
Capital Surplus	$698,412.28		
Profit and Loss — *Deficit*	*336,756.41*	361,655.87	1,361,655.87
			$3,005,058.42

(Note A) The valuation of Land, located at Cleveland, in the amount of $663,106.00, is based upon independent appraisals during the years 1923 and 1926, and the appraised sound value of the Buildings, Machinery and Equipment, etc., as of July 8, 1926, exceeded the depreciated book value at that date by approximately $700,000.00.

(Note B) The Morgan Lithograph Company was reported as being contingently liable at June 30, 1930, as endorser on discounted notes and acceptances, aggregating $68,156.44, and we are informed that the Company is defendant in a lawsuit alleging Patent infringement.

WE HEREBY CERTIFY, that we have examined the books of account and record of THE MORGAN LITHOGRAPH COMPANY—CLEVELAND, and its Subsidiary, MORGAN PROPERTIES COMPANY—CLEVELAND, as of the close of business, June 30, 1930, and that, in our opinion, based upon the records examined and information obtained by us, and subject to any necessary adjustment upon determination of the Companies final liability for Taxes, the accompanying Balance Sheet sets forth the financial position of the combined Companies, as of the date named, and the relative Income and Expense Statement is correct.

September 12, 1930.

ERNST & ERNST,
Certified Public Accountants.

CONSOLIDATED INCOME AND EXPENSE AND PROFIT AND LOSS — DEFICIT

THE MORGAN LITHOGRAPH COMPANY AND SUBSIDIARY — CLEVELAND

For the year ended June 30, 1930

INCOME AND EXPENSE

Profit from Operations, exclusive of inventory adjustments, but after deducting cost of sales, depreciation in the amount of $99,175.13, and selling, general and administrative expenses		$194,980.12
Less:		
Interest Expense	$ 96,560.42	
Other Deductions, less Other Income	63,508.79	160,069.21
Profit, Exclusive of Inventory Adjustments		$34,910.91
Inventory Losses and Adjustments, including additional provision in the amount of $200,000.00 for possible shrinkage in inventory value of Silent Picture Posters at June 30, 1930		$379,915.62
	Net Loss	*$345,004.71*

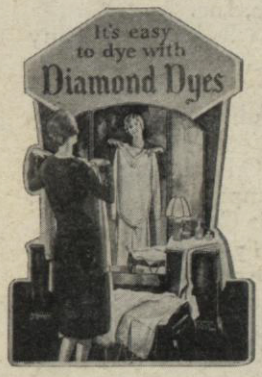
PROFIT AND LOSS — DEFICIT

Net Loss for the year ended June 30, 1930, as shown by Statement of Income and Expense	$345,004.71
Less: Cancellation of Unexpended Balance of Reserve for General Contingencies	8,248.30
Balance June 30, 1930, as shown by Balance Sheet	$336,756.41

A few of the larger national advertisers for whom The Morgan Lithograph Company made posters and display material during the past year:

Anchor Film Distributors, Inc.
Audible Pictures, Inc.
Big Four Film Corp.
Big Productions Film Corp.
William A. Brady
Chesterfield Motion Pict. Corp.
Columbia Pictures Corp.
Continental Talking Pictures Corp.
James Cruze, Inc.
J. Chas. Davis Productions, Inc.
Educational Film Exchanges, Inc.
El Dorado Productions
Excellent Pictures Corp.
Charles Frohman
Hercules Film Productions, Inc.
Intern'l Photoplay Distrib., Inc.
Martin Johnson Expedition
Jungle Film Corporation
Loew's, Inc.
Lumas Film Corp.
Mascot Pictures
Metro-Goldwyn-Mayer Dist. Corp.
Paramount Publix Corp.
Pathe Exchange, Inc.
Publix Theatres Corp.
RKO Distributing Corp.
Rayart Pictures Corp.
Raytone Talking Pictures
Edgar Selwyn
Shubert Theatre Corp.
Sono Art-World Wide Pictures, Inc.
Sterling Pictures Distrib. Corp.
Syndicate Pictures Corp.
Talking Picture Epics
Howard Thurston
Tiffany Productions, Inc.
Universal Pictures Corp.
L. L. Weber
Windsor Picture Plays, Inc.
Absorene Manufacturing Co.
Acme White Lead & Color Works
Alabama-Georgia Syrup Co.
Alemite Corporation
American Barley Corporation
American Beauty Macaroni Co.
American Bosch Magneto Co.
American Gypsum Company
Anheuser Busch Company
Bayer Company, Inc.
Black Flag Company
Blodgett-Beckley Company
The Borden Company
Brunswick Balke Collender Co.
Buckeye Ribbon & Carbon Co.
California Fruit Growers Assn.
Capital City Products Co.
Cardon Phonocraft Company
Carey Salt Company
Central Shoe Company
Champion Spark Plug Company
Chrysler Motor Car Company
Cincinnati Retail Merchants Ass'n
Cleveland Orchestra
Cleveland Plain Dealer
Cleveland Trust Company
Colonial Life Insurance Co.
Commercial Milling Co.
Conde-Nast Publications
Conklin Pen Mfg. Company
C. G. Conn, Ltd.
Consumers Coal Co.
Converse Rubber Co.
Creamette Company
Dayton Rubber Mfg. Co.
Deisel Wemmer Gilbert Co.
DeSoto Motor Corporation
Detroit Community Fund
D. & C. Navigation Co.
Diamond Electric Co.
R. G. Dun
Eaton Bumper & Spring Co.
Thomas A. Edison, Inc.
Electric Vacuum Cleaner Co.
Endicott Johnson Company
Erickson Company
Eureka Vacuum Cleaner Co.
Everhot Heater Company
Federal Motor Truck Company
Florists Telegraph Delivery Ass'n
J. A. Folger Coffee Company
Ford Motor Company
Gabel Risdon Creamery
Gabriel Snubbers Mfg. Co.
General Tire & Rubber Co.
Gibson Art Company
Gold Dust Corporation
Goodyear Tire & Rubber Co.
Gordon Gordon, Ltd.
Hamilton, Brown Shoe Co.
High Rock Ginger Ale
Hood Rubber Products Co., Inc.
The Hoover Company
Houde Engineering Company
Household Finance Corp.
Hoyland Flour Mills
Hupp Motor Car Company
Independent Oil & Gas Company
India Tire & Rubber Company
Irving Mfg. Company
Kansas City Gas Company
Karavan Coffee Company
Geo. E. Keith Company
Kelvinator Corporation
Colin B. Kennedy Corp.
Kirschbaum Clothes
Lanman & Kemp, Inc.
Lockwood Brackett Company
Loose-Wiles Biscuit Co.
Lucky Tiger Remedy Co.
Mansfield Tire & Rubber Co.
Manufacturers Trust Co.
Marmon Motor Company
Mazer Cressman Company
Miller Rubber Company
Mohawk Rubber Company
Mosby Medicine Company
Moxie Company
Mulkey Salt Company
Mullins Manufacturing Co.
Mum Manufacturing Co.
Musterole Company
Pabst Corporation
Packard Motor Car Co.
Paragon Gas & Oil Company
Peerless Motor Car Co.
J. C. Penney, Inc.
Pennsylvania Rubber Company
Peters Branch, Int'l. Shoe Co.
Phillips Petroleum Company
Pinkerton Tobacco Co.
Pittsburgh Coal Company
Pocahontas Oil Company
Pure Oil Company
Puritan Malt Company
Remington Typewriter Co.
Reymer & Bros., Inc.
Richman Brothers Company
Rit Products Company
Salada Tea Company
Seiberling Rubber Company
Shell Eastern Petroleum Co.
Sherwin-Williams Company
T. M. Sinclair Company
Sparks-Withington Company
Standard Oil Co. of Indiana
Standard Oil Co. of New Jersey
Standard Oil Co. of Ohio
Sterling Products, Inc.
Tech Food Products
Texaco Corporation
J. Walter Thompson Co.
Trico Products Corp.
Try-Me Beverage Company
U. S. Chain & Forging Co.
United States Rubber Co.
Van Camp Packing Company
James Vernor Company
Wayco Oil Corporation
Webster Cigar Company
M. Werk Company
Arthur Westbrook Company
Westinghouse Elec. & Mfg. Co.
White Star Refining Co.
Willys-Overland, Inc.

LAWRENCE TIBBETT
WORLD'S GREATEST BARITONE
THE ROGUE SONG
CATHERINE DALE OWEN
Stan LAUREL · Oliver HARDY
A LIONEL BARRYMORE PRODUCTION
A Metro-Goldwyn-Mayer ALL TALKING Picture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Diamond Dyes

Westinghouse
ELECTRIC RANGE
with the Automatic Flavor Zone Oven
Make her the happiest woman in the world with the most worth while gift of all... a Westinghouse Flavor Zone Range

CHAMPION
SPARK PLUGS
IMPROVE ENGINE PERFORMANCE

A New Era In Sound and Color Entertainment!
PAUL WHITEMAN AND HIS BAND
in
KING of JAZZ
JOHN BOLES
featuring the first dramatization of George Gershwin's "RHAPSODY IN BLUE"
A CARL LAEMMLE JR. Production
Directed by JOHN MURRAY ANDERSON
Presented by CARL LAEMMLE
A UNIVERSAL PICTURE